

Offer 401-HHS-001: Supporting Basic Needs of Low-Income Iowans

Offer Total: \$ 164,035,041

General Fund Need: \$ 79,311,588

Offer Description:

This offer includes: The Family Investment Program (FIP) provides cash assistance to low-income families. PROMISE JOBS provides training, education and employment services to FIP families. Family Development and Self-Sufficiency (FaDSS) provides case management services to FIP families with multiple/severe self-sufficiency barriers. Family Self-Sufficiency Grants (FSSG) provides payment for goods or services to FIP participants or vendors to address barriers to employment. Supplemental Food programs provide food through food banks, soup kitchens and other sites. Food Assistance provides for the purchase of food using an Electronic Benefit Transfer card. Food Stamp Employment and Training (FSET) provides job seeking skills training and employment assistance to Food Assistance recipients not on FIP. The statewide Income Maintenance Customer Service Center will serve Iowans starting in SFY 2009 by processing reported changes for Food Assistance, FIP, and Medicaid. Initiatives to improve customer service and accuracy of benefit determination while being more efficient through the use of technology. Earned Income Tax Credit (EITC) support provides outreach, education and assistance in applying for the EITC. State Supplementary Assistance (SSA) programs provide financial assistance so individuals who are aged, blind or disabled can live in non-institutional settings. The State Family Planning program provides free family planning related services at designated Iowa family planning centers and clinics to women who are ineligible for services through the Medicaid Iowa Family Planning Network (IFPN).

SFY 2009 Enacted Budget (Status Quo Funding)

Family Investment Program	\$42,701,422
State Supplementary Asst.	\$18,793,766
Family Planning	\$750,000
Field Operations	\$19,921,956
General Admin	\$2,975,977
Total State \$ Appropriated:	\$85,143,121

Status quo funding has been determined to be sufficient to cover the following: increased EBT costs resulting from growing Food Assistance caseload; maintaining EBT farmer's market wireless expansion at the SFY 2009 level; and maintaining current efforts to reduce illegal trafficking of Food Assistance benefits. Status quo funding is sufficient to cover additional costs in a number of areas for both current service level and improved results as specified below. Reductions in State funding for FIP and the redirecting of State funds from FIP to cover increased EBT costs will not negatively effect the State's ability to meet maintenance of effort (MOE) requirements for the Temporary Assistance for Needy Families (TANF) block grant.

Funding Needed to Maintain the Current Service Level

Decision Package	Decision Package Description	Amount
1	Decrease funding for FIP based on declining caseloads.	\$ (6,000,000)
2	Funding to maintain caseworkers at the SFY 2009 level of staffing in order to timely and accurately determine eligibility. (Field Operations \$709,473 15.48 FTEs)	\$ 709,473
3	Funds additional inflationary costs to sustain operations and service delivery including Worker Compensation fees, contract increases, printing, postage and IT support. (Gen Admin \$41,404) (Field \$108,316)	\$ 149,720

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Funding Needed to Maintain the Current Service Level

Decision Package	Decision Package Description	Amount
4	The PROMISE JOBS transportation allowance reimbursement rate is scheduled to be increased from \$.30/mile to \$.34/mile effective 9-1-08. This increase is expected to cost \$458,260 in SFY 2009. The SFY 2009 PROMISE JOBS appropriation is sufficient to cover this cost. Maintaining the new \$.34/mile reimbursement rate for SFY 2010 is estimated to cost \$552,530, or \$113,916 above the SFY 2009 amount. Status quo funding is sufficient to cover the SFY 2010 amount.	\$ -
5	EBT costs are an allocation within the state general fund appropriation for FIP. Based on reprojected Food Assistance caseloads for SFY 2009, EBT costs are expected to exceed the amount allocated for this purpose in the SFY 2009 FIP appropriation by \$494,297. SFY 2010 EBT costs are estimated to exceed status quo funding by \$688,310. The combined SFY 2009 TANF and state appropriation for FIP is sufficient to meet the increased EBT costs for SFY 2009 and still meet FIP needs. Combined FIP status quo funding for SFY 2010 likewise is sufficient to meet the increased EBT costs for SFY 2010 and still meet FIP needs. Note that EBT costs for both SFY 2009 and 2010 would be even higher if the department had not terminated its marketing campaign for the wireless EBT farmers' market program in July 2008. Savings from the marketing campaign offset a portion of the increase in other EBT costs resulting from increased caseloads.	\$ -
6	To maximize use of TANF funding, in SFY 2008, the state began to use TANF funds directly to cover the child care costs of working FIP families, reducing the need for additional state funds to meet overall child care costs. This is in addition to the TANF funds transferred to child care which are at the maximum allowed. Direct TANF costs for child care is estimated to increase by \$445,000 for SFY 2010. Overall status quo TANF funding at the SFY 2009 level is sufficient to cover this cost.	\$ -
7	The Social Security Administration has advised the department that the next cost of living adjustment (COLA) for Social Security effective January 1, 2009, is expected to be in the 6.1% to 6.6% range. This would be the largest COLA in the past 13 years, exceeding the 4.1% COLA of 2006 and the department's previous estimated COLA of 4.3% for 2009. COLA increases impact two components of the State Supplementary Assistance program, Residential Care Facility and Dependent Person participants. Using an estimated COLA of 6.3% rather than 4.3 % for 2009 will increase projected costs for State Supplementary Assistance for SFY 2009 an estimated \$88,599. The SFY 2009 State Supplementary Assistance appropriation is sufficient to cover this increase. The department also now expects the 2010 COLA effective January 1, 2010, to be greater than previously anticipated (from 3% to 5%) given the large increase for 2009. The department is currently estimating that status quo funding is sufficient to cover the additional increase in costs of \$134,490 for SFY 2010 resulting from the higher than expected COLA's for 2009 and 2010.	\$ -
Total Requested for Current Service Level Funding:		\$ (5,140,807)

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Reprioritization

Decision Package	Decision Package Description	Amount
8	Eliminate the current Food Assistance EBT retailer fee of \$0.07 per transaction resulting in a savings of \$690,725.50 in State funds and a corresponding savings of \$690,725.50 in other Federal funds.	\$ (690,726)
9	Eliminate the FIP Diversion program funded 100% with Federal TANF funds. Fewer than 70 families participated in this program in SFY 2008 and less than 500 have participated during the past 4 years. Annual funding is nearly three times the amount of actual expenditures resulting in a carry forward of TANF funds at the end of the year. Eliminating the FIP Diversion program will result in an estimated savings of \$112,000.	\$ -
10	Reduce the annual TANF appropriation for FSSG by \$380,000, which will align the appropriation with actual expenditures. This will not result in a reduction in benefits or services.	\$ -
Reprioritization Total:		\$ (690,726)

Funding for Improved Results

Decision Package	Decision Package Description	Amount
11	<p>Eliminate quarterly reporting for FIP cases with earnings, resulting in all FIP families being required to complete semi-annual reports. This change will benefit clients in multiple ways:</p> <ul style="list-style-type: none"> · Reduces procedural cancellations caused by failure to return reports, returning reports late, or client errors in completing report forms when clients otherwise continue to meet eligibility requirements. · Aligns frequency of reporting with Food Assistance and Medicaid – reduces confusion about reporting requirements and ensures income is treated more consistently between programs. · Stabilizes family income – project income for 6 months so minor fluctuations don't impact eligibility/benefits; major changes in income and household must still be reported and acted upon. · Maintains participation in work and training activities. <p>This change is expected to have minimal impact on caseloads and costs. An estimated 34 fewer cases per month will be cancelled and will receive benefits an additional 3 months. The department intends to implement this change in January 2009 at an estimated cost of \$123,343 for SFY 2009. SFY 2010 costs are estimated at \$272,205. The combined SFY 2009 TANF and state appropriation for FIP is sufficient to cover the SFY 2009 costs of this initiative. Redirecting TANF funds from FIP Diversion and the Family Self-Sufficiency Grant programs as described in the Reprioritization section will cover SFY 2010 costs within status quo funding.</p>	
Total Requested for Improved Results Funding:		\$ -

General Fund Total	\$79,311,588
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Total Funding Summary:

State Funding Total:	\$91,323,088
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Breakout:	Program	General Admin	Field
General Fund	\$ 55,554,462	\$ 3,017,381	\$ 20,739,745
SLTF			
Tobacco	\$ -		
IowaCare			
Other	\$ 10,028,803		\$ 1,982,697
Total	\$ 65,583,265	\$ 3,017,381	\$ 22,722,442

Other program dollars: \$9,832,303 Child Support Recoveries and \$196,500 misc. recoup/refunds.

Other Field Operations dollars are county local administrative expenses.

Federal Funding Total:	\$71,961,290
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	Program	General Admin	Field
TANF	\$ 42,776,902	\$ 3,744,000	\$ 71,827
SSBG			\$ 28,907
Other Federal	\$ 3,373,795	\$ 6,522,904	\$ 15,442,955
Total	\$ 46,150,697	\$ 10,266,904	\$ 15,543,689

Other Funding Total:	\$750,663
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	Program	General Admin	Field
Fees, Other	\$ 500,000	\$ 250,663	

Other program funds are FIP overpayment client recoveries.

Other General Admin dollars are Food Stamp Recoupments and intra-state transfer for IowaCare.

Totals	Program	General Admin	Field	Offer Total
	\$ 112,233,962	\$ 13,534,948	\$ 38,266,131	\$164,035,041

Additional financial benefit to Iowans from the federally funded Food Assistance Program	\$407,800,000
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Total Funding Of This Offer From All Sources	\$571,835,041
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FTEs included in offer:

FTEs	Admin	Field
	91.34	500.97
	Program	Other*
	16.50	

*Other FTEs: The PROMISE JOBS contract with Iowa Workforce Development funds an additional 78.9 FTEs and 91.6 contract positions. The FaDSS allocation to the Department of Human Rights funds an additional 2.5 FTEs and 109.09 contract positions.